



House of Representatives

General Assembly

File No. 503

February Session, 2018

Substitute House Bill No. 5526

House of Representatives, April 16, 2018

The Committee on Government Administration and Elections reported through REP. FOX of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING DARK MONEY AND DISCLOSURE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 9-601 of the 2018 supplement to the general
2 statutes is amended by adding subdivisions (32) to (36), inclusive, as
3 follows (*Effective from passage*):

4 (NEW) (32) "Independent expenditure political committee" means a
5 political committee that makes only (A) independent expenditures,
6 and (B) contributions to other independent expenditure political
7 committees.

8 (NEW) (33) "Foreign owner" means (A) a foreign national, as
9 defined in 52 USC 30121(b), as amended from time to time, or (B) an
10 entity of which a foreign national holds, owns, controls or otherwise
11 has directly or indirectly acquired beneficial ownership of equity or
12 voting shares in an amount equal to or greater than fifty per cent of
13 total equity or outstanding shares of voting stock.

14 (NEW) (34) "Foreign-influenced entity" means any entity of which
15 (A) one foreign owner holds, owns, controls or otherwise has directly
16 or indirectly acquired beneficial ownership of equity or voting shares
17 in an amount equal to or greater than five per cent of total equity or
18 outstanding shares of voting stock, (B) two or more foreign owners
19 hold, own, control or otherwise have directly or indirectly acquired
20 beneficial ownership of equity or voting shares in an amount equal to
21 or greater than twenty per cent of total equity or outstanding shares of
22 voting stock, or (C) any foreign owner participates in any way, directly
23 or indirectly, in the process of making decisions with regard to the
24 making of expenditures or contributions by such entity.

25 (NEW) (35) "Consultant" means any person (A) who provides (i)
26 campaign strategy, (ii) design or management of campaign
27 communications, literature or advertising, or (iii) fundraising or
28 management services, or (B) whose duties include identifying, hiring
29 or paying subvenders for goods or services on behalf of a committee or
30 a person required to file a report pursuant to section 9-601d, as
31 amended by this act.

32 (NEW) (36) (A) "Subvendor" means any person who provides goods
33 or services to a consultant or who contracts with a consultant or other
34 subvendor to provide goods or services to a committee or a person
35 required to file a report pursuant to section 9-601d, as amended by this
36 act.

37 (B) "Subvendor" does not include a person who is an employee of a
38 consultant if such person has been an employee of such consultant for
39 three or more consecutive months prior to any month in which a
40 committee or person is required to file a report accounting for any
41 expenditure to such consultant or any subvendor for such consultant.

42 Sec. 2. Subdivision (3) of section 9-601 of the 2018 supplement to the
43 general statutes is repealed and the following is substituted in lieu
44 thereof (*Effective from passage*):

45 (3) "Political committee" means (A) a committee organized by a

46 business entity or organization, (B) persons other than individuals, or
47 two or more individuals organized or acting jointly conducting their
48 activities in or outside the state, (C) an exploratory committee, (D) a
49 committee established by or on behalf of a slate of candidates in a
50 primary for the office of justice of the peace, but does not mean a
51 candidate committee or a party committee, (E) a legislative caucus
52 committee, [or] (F) a legislative leadership committee, or (G) an
53 independent expenditure political committee.

54 Sec. 3. Section 9-601d of the general statutes is repealed and the
55 following is substituted in lieu thereof (*Effective from passage*):

56 (a) Any person, as defined in section 9-601, as amended by this act,
57 may, unless otherwise restricted or prohibited by law, including, but
58 not limited to, any provision of this chapter or chapter 157, make
59 unlimited independent expenditures, as defined in section 9-601c, and
60 accept unlimited covered transfers, as defined in [said] section 9-601,
61 as amended by this act. Except as provided [pursuant to] in this
62 section, any such person who makes or obligates to make an
63 independent expenditure or expenditures in excess of one thousand
64 dollars, in the aggregate, shall file statements according to the same
65 schedule and in the same manner as is required of a treasurer of a
66 [candidate] political committee pursuant to section 9-608, as amended
67 by this act. Any such person, other than a committee, shall file with the
68 proper authority, as provided in section 9-603, as amended by this act,
69 (1) a long-form report and a short-form report pursuant to subsection
70 (c) of this section for such independent expenditure or expenditures,
71 and (2) a short-form report pursuant to subsection (d) of this section
72 for each subsequent independent expenditure made or obligated to be
73 made.

74 (b) Any person who makes or obligates to make an independent
75 expenditure or expenditures in an election or primary for the office of
76 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
77 State Comptroller, Attorney General, state senator or state
78 representative [, which] that exceed one thousand dollars, in the

79 aggregate, during [a primary campaign or a general election campaign,
80 as defined in section 9-700, shall file, electronically, a long-form and a
81 short-form report of such independent expenditure or expenditures
82 with the State Elections Enforcement Commission pursuant to
83 subsections (c) and (d) of this section. The person that makes or
84 obligates to make such independent expenditure or expenditures shall
85 file such reports] the period beginning on July first in the year of a
86 regular election, or on the day the Governor issues writs of election
87 pursuant to section 9-215 in the case of a special election for the office
88 of state senator or state representative, and ending on the day
89 following the primary or election for which such person made or
90 obligated to make such independent expenditure or expenditures,
91 shall electronically file, in the case of a committee, a report pursuant to
92 section 9-608, as amended by this act, or, in the case of any person
93 other than a committee, a long-form report and a short-form report
94 pursuant to subsections (c) and (d) of this section not later than
95 twenty-four hours after (1) making any such payment, or (2) obligating
96 to make any such payment, with respect to the primary or election. [If
97 any such person makes or incurs a subsequent independent
98 expenditure, such person shall report such expenditure pursuant to
99 subsection (d) of this section. Such reports] In the case of a special
100 election for the office of state senator or state representative, if any
101 person makes or obligates to make an independent expenditure or
102 expenditures for such special election that exceeds one thousand
103 dollars, in the aggregate, prior to the day the Governor issues writs of
104 election pursuant to section 9-215, such person shall file a report not
105 later than twenty-four hours after such writs of election are issued.
106 Any such report shall be filed under penalty of false statement.

107 (c) The independent expenditure long-form report shall identify: (1)
108 The name of the person making or obligating to make such
109 independent expenditure or expenditures and, in the case of a person
110 other than an individual, the name of a human being who had direct,
111 extensive and substantive decision-making authority over such
112 independent expenditure or expenditures; (2) the tax exempt status of
113 such person and, if [applicable] such person files a report with the

114 Federal Election Commission, the Internal Revenue Service or any
115 similar out-of-state agency, identifying information under which any
116 such filings are made; (3) the mailing address, and street address if
117 different, of such person; (4) the principal business address of the
118 person, if different from either the mailing address or street address;
119 (5) the mailing address, and street address if different, telephone
120 number and electronic mail address of the agent for service of process
121 in this state of such person; (6) the date of the primary, [or] election or
122 referendum for which [the] such independent expenditure or
123 expenditures were made or obligated to be made; (7) (A) the name of
124 any candidate who, or the text of any referendum question that, was
125 the subject of [any] such independent expenditure or expenditures,
126 [and whether the] (B) whether such independent expenditure or
127 expenditures were in support of or in opposition to such candidate or
128 referendum question, and (C) any other information required under
129 subsection (d) of this section; and (8) the name, telephone number and
130 electronic mail address for the individual filing such report. Such
131 individual filing such report shall, under penalty of false statement,
132 affirm that the expenditure reported is an independent expenditure
133 [under penalty of false statement] and certify that due inquiry has been
134 made by the chief executive or chief financial officer, or equivalent, of
135 such person to determine that such person is not a foreign-influenced
136 entity on the date such independent expenditure was made or
137 obligated to be made.

138 (d) As part of any filing made pursuant to subsection (c) of this
139 section and for each subsequent independent expenditure made or
140 obligated to be made by a person with respect to the primary, [or]
141 election or referendum for which a long-form report pursuant to
142 subsection (c) of this section has been filed on behalf of such person, an
143 individual shall file [, electronically,] a short-form report for each such
144 independent expenditure, [, not later than twenty-four hours after such
145 person makes a payment for an independent expenditure or obligates
146 to make such an independent expenditure.] Such short-form report
147 shall identify: (1) The name of the person making or obligating to make
148 such independent expenditure; (2) the amount of the independent

149 expenditure; (3) whether the independent expenditure was in support
150 of or in opposition to a candidate or referendum question, and the
151 name of such candidate or text of such referendum question; (4) a brief
152 description of the expenditure made, including the type of
153 communication, based on categories determined by the State Elections
154 Enforcement Commission, and the allocation of such expenditure in
155 support of or in opposition to each such candidate or referendum
156 question, if such expenditure was made in support of or in opposition
157 to more than one candidate [; and] or question; (5) the name, telephone
158 number and electronic mail address for the individual filing such
159 report; and (6) any other information that the State Elections
160 Enforcement Commission may require to facilitate compliance with
161 the provisions of chapters 155 to 157, inclusive. Such individual filing
162 such report shall, under penalty of false statement, affirm that the
163 expenditure reported is an independent expenditure. [under penalty of
164 false statement.]

165 (e) No person reporting an independent expenditure pursuant to
166 the provisions of subsection (c) or (d) of this section shall be required
167 to file a statement pursuant to section 9-608, as amended by this act,
168 for such independent expenditure.

169 (f) (1) Except as provided in subdivision (2) of this subsection, as
170 part of any statement filed pursuant to this section, if a person who
171 makes or obligates to make an independent expenditure (A) has
172 received a covered transfer during the twelve-month period prior to a
173 primary, [or] election or referendum, as applicable to the reported
174 expenditure, [for an office that a candidate described in subdivision (7)
175 of subsection (c) of this section is seeking,] and (B) such independent
176 expenditure is made or obligated to be made on or after the date that is
177 one hundred eighty days prior to such primary, [or] election or
178 referendum, such person shall disclose the source and the amount of
179 any such covered transfer such person received that is in an amount
180 that is five thousand dollars or more, in the aggregate, during the
181 twelve-month period prior to such primary or election, as applicable to
182 the reported expenditure.

183 (2) The provisions of subdivision (1) of this subsection shall not
184 apply to any person who discloses the source and amount of a covered
185 transfer described in subdivision (1) of this subsection as part of any
186 report to the Federal Election Commission, [or] the Internal Revenue
187 Service or any similar out-of-state agency, provided such person
188 includes a copy of or information sufficient to find, any such report as
189 part of the report of each applicable independent expenditure filed
190 pursuant to this section. If a source and amount of a covered transfer is
191 not included as part of any such report, the maker of the independent
192 expenditure shall disclose the source and amount of such covered
193 transfer pursuant to subdivision (1) of this subsection, if applicable.

194 (g) (1) A person may, unless otherwise restricted or prohibited by
195 law, including, but not limited to, any provision of this chapter or
196 chapter 157, establish a dedicated independent expenditure account [,
197 for the purpose of engaging in] that may be used to make independent
198 expenditures, [that] provided such account is segregated from all other
199 accounts controlled by such person. Such dedicated independent
200 expenditure account may receive covered transfers directly from
201 persons other than the person establishing the dedicated account and
202 may not receive transfers from another account controlled by the
203 person establishing the dedicated account, except as provided in
204 subdivision (2) of this subsection. If an independent expenditure is
205 made from such segregated account, any report required pursuant to
206 this section or disclaimer required pursuant to section 9-621, [may
207 include only] as amended by this act, shall include at least those
208 persons who made covered transfers directly to the dedicated
209 independent expenditure account.

210 (2) If a person who has made a covered transfer to another account
211 controlled by the person establishing a dedicated independent
212 expenditure account requests that such covered transfer be used for
213 the purposes of making an independent expenditure from the
214 dedicated independent expenditure account, the amount of such
215 covered transfer may be transferred to the dedicated independent
216 expenditure account and shall be treated as a covered transfer directly

217 to the dedicated independent expenditure account.

218 (h) Any person may file a complaint with the commission upon the
219 belief that (1) any such independent expenditure report or statement is
220 false, or (2) any person who is required to file an independent
221 expenditure report under this [subsection] section has failed to do so.
222 The commission shall make a prompt determination on such a
223 complaint.

224 (i) (1) [If] Notwithstanding the provisions of section 9-623, if (A) a
225 person fails to file a report in accordance with the provisions of this
226 section or section 9-608, as amended by this act, for an independent
227 expenditure or expenditures made or obligated to be made more than
228 ninety days before the day of a primary, [or election, the] election or
229 referendum, such person shall be subject to a civil penalty, imposed by
230 the State Elections Enforcement Commission, of not more than ten
231 thousand dollars, [If] and (B) a person fails to file a report required in
232 accordance with the provisions of this section for an independent
233 expenditure or expenditures made or obligated to be made ninety days
234 or less before the day of a primary, [or] election or referendum, such
235 person shall be subject to a civil penalty, imposed by the State
236 Elections Enforcement Commission, of not more than twenty thousand
237 dollars or twice the amount of such independent expenditure or
238 expenditures, whichever is greater.

239 (2) [If] Notwithstanding the provisions of section 9-623, if the State
240 Elections Enforcement Commission finds any such failure is knowing
241 and wilful, the person responsible for [the failure shall also be fined]
242 such failure shall be subject to an additional civil penalty, imposed by
243 the commission, of not more than fifty thousand dollars or ten times
244 the amount of such independent expenditure or expenditures and the
245 commission may refer the matter to the office of the Chief State's
246 Attorney.

247 (3) If the State Elections Enforcement Commission finds that a
248 person is subject to a civil penalty under this subsection, (A) in the case
249 of a committee, (i) the chairman, and (ii) any officer, or (B) in the case

250 of a person other than a committee, (i) the chief executive or chief
251 financial officer, or equivalent, (ii) any other officer, and (iii) any
252 manager who had direct, extensive and substantive decision-making
253 authority over the independent expenditures or expenditures made or
254 obligated to be made by such person, shall be liable for paying any
255 amount of such civil penalty imposed that is not paid by such person
256 within one year after the latter of (I) the date on which the commission
257 imposed such civil penalty, or (II) the date of the final judgment
258 following any judicial review of the commission's action.

259 Sec. 4. Subsections (a) and (b) of section 9-603 of the general statutes
260 are repealed and the following is substituted in lieu thereof (*Effective*
261 *from passage*):

262 (a) Statements filed by (1) party committees, (2) political committees
263 formed to aid or promote the success or defeat of a referendum
264 question proposing a constitutional convention, constitutional
265 amendment or revision of the Constitution, (3) individual lobbyists,
266 [and those] (4) political committees and candidate committees formed
267 to aid or promote the success or defeat of any candidate for the office
268 of Governor, Lieutenant Governor, Secretary of the State, State
269 Treasurer, State Comptroller, Attorney General, judge of probate, [and
270 members of the General Assembly] state senator or state
271 representative, and (5) persons making any independent expenditure
272 or expenditures in excess of one thousand dollars, in the aggregate, to
273 promote the success or defeat of any such referendum question or
274 candidate pursuant to section 9-601d, as amended by this act, shall be
275 filed with the State Elections Enforcement Commission. A political
276 committee formed for a slate of candidates in a primary for the office
277 of justice of the peace shall file statements with the town clerk of the
278 municipality in which the primary is to be held.

279 (b) Statements filed by (1) political committees formed solely to aid
280 or promote the success or defeat of a referendum question to be voted
281 upon by the electors of a single municipality, [and those] (2) political
282 committees or candidate committees formed to aid or promote the

283 success or defeat of any candidate for public office, other than those
284 enumerated in subsection (a) of this section, or for the position of town
285 committee member, and (3) persons making any independent
286 expenditure or expenditures in excess of one thousand dollars, in the
287 aggregate, to promote the success or defeat of any such referendum
288 question or candidate pursuant to section 9-601d, as amended by this
289 act, shall be filed [only] with the town clerk of the municipality in
290 which the election or referendum is to be held. Each unsalaried town
291 clerk shall be entitled to receive ten cents from the town for the filing
292 of each such statement.

293 Sec. 5. Subsections (a) and (b) of section 9-605 of the general statutes
294 are repealed and the following is substituted in lieu thereof (*Effective*
295 *from passage*):

296 (a) [The] Except as provided in subsection (d) of this section, the
297 chairperson of each political committee shall be an individual who has
298 direct, extensive and substantive decision-making authority over the
299 committee's activities with respect to raising and spending funds, shall
300 designate a treasurer and may designate a deputy treasurer. The
301 treasurer and any deputy treasurer so designated shall sign a
302 statement accepting the designation. The chairperson of each political
303 committee shall file a registration statement described in subsection (b)
304 of this section along with the statement signed by the designated
305 treasurer and deputy treasurer with the proper authority, [within ten
306 days after its organization] not later than ten days after receiving
307 contributions, or making or incurring expenditures, in excess of one
308 thousand dollars, in the aggregate, provided [that] the chairperson of
309 any political committee organized [within] ten or fewer days prior to
310 any primary, election or referendum in connection with which it
311 intends to make any contributions or expenditures, shall immediately
312 file a registration statement.

313 (b) The registration statement shall include: (1) The name and
314 address of the committee; (2) a statement of the purpose of the
315 committee; (3) the name and address of its treasurer, and deputy

316 treasurer if applicable; (4) the name, address and position of its
317 [chairman] chairperson, and other principal officers if applicable; (5)
318 the name and address of the depository institution for its funds; (6) the
319 name of each person, other than an individual, that is a member of the
320 committee; (7) the name and party affiliation of each candidate whom
321 the committee is supporting and the office or position sought by each
322 candidate; (8) if the committee is supporting the entire ticket of any
323 party, a statement to that effect and the name of the party; (9) if the
324 committee is supporting or opposing any referendum question, a brief
325 statement identifying the substance of the question; (10) if the
326 committee is established or controlled by a [business entity or
327 organization] person or an individual acting as the agent of a person,
328 the name of the [entity or organization] person and, if the committee is
329 established or controlled by a person other than a human being, the
330 name of its chief executive officer or equivalent; (11) if the committee is
331 established by an organization, a statement of whether it will receive
332 its funds from the organization's treasury or from voluntary
333 contributions; (12) if the committee or a person establishing the
334 committee files reports with the Federal Elections Commission, the
335 Internal Revenue Service or any similar out-of-state agency, a
336 statement to that effect including the name of the commission or
337 agency and identifying information under which any such filings are
338 made; (13) a statement indicating whether the committee is established
339 for a single primary, election or referendum or for ongoing political
340 activities; (14) if the committee is established or controlled by a
341 lobbyist, a statement to that effect and the name of the lobbyist; (15) the
342 name and address of the person making the initial contribution or
343 disbursement, if any, to the committee; and (16) any information that
344 the State Elections Enforcement Commission requires to facilitate
345 compliance with the provisions of this chapter or chapter 157. If no
346 such initial contribution or disbursement, as described in subdivision
347 (15) of this subsection, has been made at the time of the filing of such
348 statement, the treasurer of the committee shall, not later than forty-
349 eight hours after receipt of such contribution or disbursement, file a
350 report with the State Elections Enforcement Commission. The report

351 shall be in the same form as statements filed under section 9-608, as
352 amended by this act.

353 Sec. 6. Subdivision (1) of subsection (g) of section 9-607 of the
354 general statutes is repealed and the following is substituted in lieu
355 thereof (*Effective from passage*):

356 (g) (1) As used in this subsection, (A) "the lawful purposes of the
357 committee" means: (i) For a candidate committee or exploratory
358 committee, the promoting of the nomination or election of the
359 candidate who established the committee, except that after a political
360 party nominates candidates for election to the offices of Governor and
361 Lieutenant Governor, whose names shall be so placed on the ballot in
362 the election that an elector will cast a single vote for both candidates,
363 as prescribed in section 9-181, a candidate committee established by
364 either such candidate may also promote the election of the other such
365 candidate; (ii) for a political committee, other than an independent
366 expenditure political committee described in subparagraph (A)(iv) of
367 this subdivision, the promoting of (I) a political party, including party
368 building activities, (II) the success or defeat of candidates for
369 nomination [and] or election to public office or position subject to the
370 requirements of this chapter, or (III) the success or defeat of
371 referendum questions, provided a political committee formed for a
372 single referendum question shall not promote the success or defeat of
373 any candidate, and provided further a legislative leadership committee
374 or a legislative caucus committee may expend funds to defray costs for
375 conducting legislative or constituency-related business which are not
376 reimbursed or paid by the state; [and] (iii) for a party committee, the
377 promoting of the party, party building activities, the candidates of the
378 party and continuing operating costs of the party; and (iv) for an
379 independent expenditure political committee, the promoting of (I) a
380 political party, (II) the success or defeat of candidates for nomination
381 or election to public office or position subject to the requirements of
382 this chapter, or (III) the success or defeat of referendum questions,
383 provided an independent expenditure political committee shall act
384 entirely independently of a candidate, candidate committee, party

385 committee or political committee that is not an independent
386 expenditure political committee, or any agent of such candidate or
387 committee, and (B) "immediate family" means a spouse or dependent
388 child of a candidate who resides in the candidate's household.

389 Sec. 7. Subsection (c) of section 9-608 of the general statutes is
390 repealed and the following is substituted in lieu thereof (*Effective from*
391 *passage*):

392 (c) (1) Each statement filed under subsection (a), (e) or (f) of this
393 section shall include, but not be limited to: (A) An itemized accounting
394 of each contribution, if any, including the full name and complete
395 address of each contributor and the amount of the contribution; (B) an
396 itemized accounting of each expenditure, if any, including the full
397 name and complete address of each payee, including secondary payees
398 whenever the primary or principal payee is known to include charges
399 which the primary payee has already paid or will pay directly to
400 another person, vendor or entity, the amount and the purpose of the
401 expenditure, the candidate supported or opposed by the expenditure,
402 whether the expenditure is made independently of the candidate
403 supported or is an in-kind contribution to the candidate, and a
404 statement of the balance on hand or deficit, as the case may be; (C) an
405 itemized accounting of each expense incurred but not paid, provided if
406 the expense is incurred by use of a credit card, the accounting shall
407 include secondary payees, and the amount owed to each such payee;
408 (D) the name and address of any person who is the guarantor of a loan
409 to, or the cosigner of a note with, the candidate on whose behalf the
410 committee was formed, or the treasurer in the case of a party
411 committee or a political committee or who has advanced a security
412 deposit to a telephone company, as defined in section 16-1, for
413 telecommunications service for a committee; (E) for each business
414 entity or person purchasing advertising space in a program for a fund-
415 raising affair or on signs at a fund-raising affair, the name and address
416 of the business entity or the name and address of the person, and the
417 amount and aggregate amounts of such purchases; (F) for each
418 individual who contributes in excess of one hundred dollars but not

419 more than one thousand dollars, in the aggregate, to the extent known,
420 the principal occupation of such individual and the name of the
421 individual's employer, if any; (G) for each individual who contributes
422 in excess of one thousand dollars in the aggregate, the principal
423 occupation of such individual and the name of the individual's
424 employer, if any; (H) for each itemized contribution made by a
425 lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist
426 who resides in the lobbyist's household, a statement to that effect; and
427 (I) for each individual who contributes in excess of four hundred
428 dollars in the aggregate to or for the benefit of any candidate's
429 campaign for nomination at a primary or election to the office of chief
430 executive officer or a slate or town committee financing the
431 nomination or election or a candidate for chief executive officer of a
432 town, city or borough, a statement indicating whether the individual
433 or a business with which he is associated has a contract with said
434 municipality that is valued at more than five thousand dollars. Each
435 treasurer shall include in such statement (i) an itemized accounting of
436 the receipts and expenditures relative to any testimonial affair held
437 under the provisions of section 9-609 or any other fund-raising affair,
438 which is referred to in subsection (b) of section 9-601a, and (ii) the date,
439 location and a description of the affair, except that a treasurer shall not
440 be required to include the name of any individual who has purchased
441 items at a fund-raising affair or food at a town fair, county fair or
442 similar mass gathering, if the cumulative value of items purchased by
443 such individual does not exceed one hundred dollars, or the name of
444 any individual who has donated food or beverages for a meeting. A
445 treasurer shall not be required to report or retain any receipts or
446 expenditures related to any de minimis donations described in
447 subdivision (17) of subsection (b) of section 9-601a.

448 (2) Each contributor described in subparagraph (F), (G), (H) or (I) of
449 subdivision (1) of this subsection shall, at the time the contributor
450 makes such a contribution, provide the information that the treasurer
451 is required to include under said subparagraph in the statement filed
452 under subsection (a), (e) or (f) of this section. Notwithstanding any
453 provision of subdivision (2) of section 9-7b, any contributor described

454 in subparagraph (F) of subdivision (1) of this subsection who does not
455 provide such information at the time the contributor makes such a
456 contribution and any treasurer shall not be subject to the provisions of
457 subdivision (2) of section 9-7b. If a treasurer receives a contribution
458 from an individual which separately, or in the aggregate, is in excess of
459 one thousand dollars and the contributor has not provided the
460 information required by said subparagraph (G) or if a treasurer
461 receives a contribution from an individual to or for the benefit of any
462 candidate's campaign for nomination at a primary or election to the
463 office of chief executive officer of a town, city or borough, which
464 separately, or in the aggregate, is in excess of four hundred dollars and
465 the contributor has not provided the information required by said
466 subparagraph (I), the treasurer: [(i)] (A) Not later than three business
467 days after receiving the contribution, shall send a request for such
468 information to the contributor by certified mail, return receipt
469 requested; [(ii)] (B) shall not deposit the contribution until the treasurer
470 obtains such information from the contributor, notwithstanding the
471 provisions of section 9-606; and [(iii)] (C) shall return the contribution
472 to the contributor if the contributor does not provide the required
473 information [not later than] within fourteen days after the treasurer's
474 written request or the end of the reporting period in which the
475 contribution was received, whichever is later. Any failure of a
476 contributor to provide the information which the treasurer is required
477 to include under said subparagraph (F) or (H), which results in
478 noncompliance by the treasurer with the provisions of said
479 subparagraph (F) or (H), shall be a complete defense to any action
480 against the treasurer for failure to disclose such information.

481 (3) In addition to the requirements of subdivision (2) of this
482 subsection, each contributor who makes a contribution to a candidate
483 or exploratory committee for Governor, Lieutenant Governor,
484 Attorney General, State Comptroller, Secretary of the State, State
485 Treasurer, state senator or state representative, any political committee
486 authorized to make contributions to such candidates or committees,
487 and any party committee that separately, or in the aggregate, exceeds
488 fifty dollars shall provide with the contribution: (A) The name of the

489 contributor's employer, if any; (B) the contributor's status as a
490 communicator lobbyist, as defined in section 1-91, a member of the
491 immediate family of a communicator lobbyist, a state contractor, a
492 prospective state contractor or a principal of a state contractor or
493 prospective state contractor, as defined in section 9-612, as amended by
494 this act; and (C) a certification that the contributor is not prohibited
495 from making a contribution to such candidate or committee. The State
496 Elections Enforcement Commission shall prepare a sample form for
497 such certification by the contributor and shall make [it] such sample
498 form available to treasurers and contributors. Such sample form shall
499 include an explanation of the terms "communicator lobbyist",
500 "principal of a state contractor or prospective state contractor",
501 "immediate family", "state contractor" and "prospective state
502 contractor". The information on such sample form shall be included in
503 any written solicitation conducted by any such committee. If a
504 treasurer receives such a contribution and the contributor has not
505 provided such certification, the treasurer shall: (i) Not later than three
506 business days after receiving the contribution, send a request for the
507 certification to the contributor by certified mail, return receipt
508 requested; (ii) not deposit the contribution until the treasurer obtains
509 the certification from the contributor, notwithstanding the provisions
510 of section 9-606; and (iii) return the contribution to the contributor if
511 the contributor does not provide the certification [not later than]
512 within fourteen days after the treasurer's written request or at the end
513 of the reporting period in which the contribution was received,
514 whichever is later. No treasurer shall be required to obtain and keep
515 more than one certification from each contributor, unless information
516 certified to by the contributor, other than the amount contributed,
517 changes. If a treasurer deposits a contribution based on a certification
518 that is later determined to be false, the treasurer shall have a complete
519 defense to any action, including but not limited to, any complaint
520 investigated by the State Elections Enforcement Commission or any
521 other investigation initiated by [said] the commission, against such
522 treasurer for the receipt of such contribution.

523 (4) When an independent expenditure political committee discloses

524 a contribution or contributions pursuant to subparagraph (A) of
525 subdivision (1) of this subsection in excess of one thousand dollars, in
526 the aggregate, and the contributor is also a recipient of a covered
527 transfer, the independent expenditure political committee shall include
528 for any covered transfer or transfers in excess of five thousand dollars,
529 in the aggregate, the source and the amount of such covered transfer or
530 transfers to such contributor during the twelve-month period
531 immediately prior to the primary or election, as applicable.

532 (5) (A) If a person makes a contribution or contributions in excess of
533 one thousand dollars, in the aggregate, to an independent expenditure
534 political committee and such person derives all funds of such
535 contribution or contributions from a dedicated independent
536 expenditure account established by such person that is segregated
537 from all other accounts controlled by such person, such person shall
538 provide to the treasurer of such committee the source and the amount
539 of each donation, transfer or payment that is in excess of five thousand
540 dollars, in the aggregate, to such dedicated account. Such dedicated
541 independent expenditure account may receive covered transfers
542 directly from persons other than the person who established such
543 dedicated account and shall not receive covered transfers from any
544 other account controlled by the person who established such dedicated
545 account, except as provided in subparagraph (B) of this subdivision.
546 The treasurer of such independent expenditure political committee
547 shall include the information so provided under this subdivision with
548 the disclosure of such contribution or contributions.

549 (B) If a person who made a covered transfer to any other account
550 controlled by the person who established a dedicated independent
551 expenditure account requests that such covered transfer be used for
552 the purpose of making an independent expenditure or expenditures
553 from such dedicated account, the amount of such covered transfer may
554 be transferred to such dedicated account and shall be treated as a
555 covered transfer directly to such dedicated account.

556 (6) If a person makes a contribution or contributions in excess of one

557 thousand dollars, in the aggregate, to an independent expenditure
558 political committee and such person derives any funds of such
559 contribution or contributions from any source other than a dedicated
560 independent expenditure account established by such person that is
561 segregated from all other accounts controlled by such person, such
562 person shall provide to the treasurer of such committee the source and
563 the amount of each donation, transfer or payment to such person that
564 is in excess of five thousand dollars, in the aggregate, during the
565 twelve-month period prior to the primary or election, as applicable, for
566 which an independent expenditure is made. The treasurer of such
567 independent expenditure political committee shall include the
568 information so provided under this subdivision with the disclosure of
569 such contribution or contributions.

570 (7) (A) The treasurer of an independent expenditure political
571 committee shall not accept a contribution or contributions in excess of
572 one thousand dollars, in the aggregate, unless the information required
573 to be provided under subdivision (8) of this subsection is so provided.

574 (B) The recipient of a covered transfer or transfers in excess of five
575 thousand dollars, in the aggregate, shall not knowingly make any
576 contribution to an independent expenditure political committee unless
577 the information required to be disclosed or provided, as applicable,
578 under subdivision (4), (5) or (6) of this subsection is so disclosed or
579 provided.

580 (8) In addition to the requirements of subdivision (2) of this
581 subsection, each contributor who is the recipient of any covered
582 transfer or transfers that, in the aggregate, exceed five thousand dollars
583 and who makes a contribution to an independent expenditure political
584 committee that separately, or in the aggregate, exceeds one thousand
585 dollars per calendar year shall provide with the contribution a
586 statement signed under penalty of false statement, which statement
587 shall include: (A) If the contributor is a human being, the name of the
588 contributor's employer or employers, if any; (B) the contributor's status
589 as a client lobbyist or communicator lobbyist, as defined in section 1-

590 91, or a member of the immediate family of a communicator lobbyist;
591 (C) a certification that the contributor is not a state contractor, a
592 principal of a state contractor, a foreign-influenced entity or otherwise
593 prohibited from making such contribution; and (D) the name of any
594 person required to be disclosed or provided, as applicable, under
595 subdivision (4), (5) or (6) of this subsection and the amounts of the
596 covered transfers of any such person. The State Elections Enforcement
597 Commission shall prepare a form for such certification by the
598 contributor and shall make such form available to treasurers and
599 contributors. Such form shall include an explanation of the term
600 "covered transfer" as it is defined in section 9-601, as amended by this
601 act. The information on such form shall be included in any written
602 solicitation conducted by such independent expenditure political
603 committee. If a treasurer receives a contribution and the contributor
604 has not provided such certification, the treasurer shall: (i) Not later
605 than three business days after receiving the contribution, send a
606 request for the certification to the contributor by certified mail, return
607 receipt requested; (ii) not deposit the contribution until the treasurer
608 obtains the certification from the contributor, notwithstanding the
609 provisions of section 9-606; and (iii) return the contribution to the
610 contributor if the contributor does not provide the certification within
611 fourteen days after the treasurer's written request or at the end of the
612 reporting period in which the contribution was received, whichever is
613 later. If a treasurer deposits a contribution based on a certification
614 signed under penalty of false statement that is later determined to be
615 false, the treasurer shall have a complete defense to any action,
616 including, but not limited to, any complaint investigated by the State
617 Elections Enforcement Commission or any other investigation initiated
618 by the commission, against such treasurer for the receipt of such
619 contribution.

620 [(4)] (9) Contributions from a single individual to a treasurer in the
621 aggregate totaling fifty dollars or less need not be individually
622 identified in the statement, but a sum representing the total amount of
623 all such contributions made by all such individuals during the period
624 to be covered by such statement shall be a separate entry, identified

625 only by the words "total contributions from small contributors".

626 [(5)] (10) Each statement filed by the treasurer of a party committee,
627 a legislative caucus committee or a legislative leadership committee
628 shall include an itemized accounting of each organization expenditure
629 made by the committee. Concomitant with the filing of any such
630 statement containing an accounting of an organization expenditure
631 made by the committee for the benefit of any candidate for the office of
632 state senator, state representative, Governor, Lieutenant Governor,
633 Attorney General, Secretary of the State, State Comptroller or State
634 Treasurer such treasurer shall provide notice of the organization
635 expenditure to the candidate committee of such candidate.

636 [(6)] (11) The commission shall post a link on the home page of the
637 commission's Internet web site to a listing of all organizational
638 expenditures reported by a party, legislative leadership or caucus
639 committee under subdivision (5) of this subsection. Such information
640 shall include reported information on the committee making the
641 expenditure, the committee receiving the expenditure and the date and
642 purpose for the expenditure.

643 [(7)] (12) Statements filed in accordance with this section shall
644 remain public records of the state for five years from the date such
645 statements are filed.

646 Sec. 8. Subparagraph (C) of subdivision (1) of subsection (e) of
647 section 9-608 of the general statutes is repealed and the following is
648 substituted in lieu thereof (*Effective from passage*):

649 (C) (i) Each political committee formed solely to aid or promote the
650 success or defeat of any referendum question, which does not receive
651 contributions from a business entity or an organization, shall distribute
652 its surplus to a party committee, to a political committee organized for
653 ongoing political activities, to a national committee of a political party,
654 to all contributors to the committee on a prorated basis of contribution,
655 to state or municipal governments or agencies or to any organization
656 which is a tax-exempt organization under Section 501(c)(3) of the

657 Internal Revenue Code of 1986, or any subsequent corresponding
658 internal revenue code of the United States, as from time to time
659 amended. (ii) Each political committee formed solely to aid or promote
660 the success or defeat of any referendum question, which receives
661 contributions from a business entity or an organization, and each
662 independent expenditure political committee other than an
663 independent expenditure political committee formed for ongoing
664 political activities, shall distribute its surplus to all contributors to the
665 committee on a prorated basis of contribution, to state or municipal
666 governments or agencies, or to any organization which is tax-exempt
667 under said provisions of the Internal Revenue Code. Notwithstanding
668 the provisions of this subsection, a committee formed for a single
669 referendum shall not be required to expend its surplus not later than
670 ninety days after the referendum and may continue in existence if a
671 substantially similar referendum question on the same issue will be
672 submitted to the electorate within six months after the first
673 referendum. If two or more substantially similar referenda on the same
674 issue are submitted to the electorate, each no more than six months
675 apart, the committee shall expend such surplus within ninety days
676 following the date of the last such referendum;

677 Sec. 9. Subsections (a) and (b) of section 9-612 of the general statutes
678 are repealed and the following is substituted in lieu thereof (*Effective*
679 *from passage*):

680 (a) No individual shall make a contribution or contributions in any
681 one calendar year in excess of ten thousand dollars to the state central
682 committee of any party, or for the benefit of such committee pursuant
683 to its authorization or request; or two thousand dollars to a town
684 committee of any political party, or for the benefit of such committee
685 pursuant to its authorization or request; or two thousand dollars to a
686 legislative caucus committee or legislative leadership committee; [,] or
687 one thousand dollars to any other political committee other than (1) a
688 political committee formed solely to aid or promote the success or
689 defeat of a referendum question, (2) an exploratory committee, (3) a
690 political committee established by an organization, or for the benefit of

691 such committee pursuant to its authorization or request, [or] (4) a
692 political committee formed by a slate of candidates in a primary for the
693 office of justice of the peace of the same town, or (5) an independent
694 expenditure political committee. Unless otherwise restricted or
695 prohibited by law, an individual may make unlimited contributions to
696 an independent expenditure political committee.

697 (b) (1) No individual shall make a contribution to a political
698 committee established by an organization which receives its funds
699 from the organization's treasury. With respect to a political committee
700 established by an organization which has complied with the provisions
701 of subsection (b) or (c) of section 9-614, as amended by this act, and has
702 elected to receive contributions, no individual other than a member of
703 the organization may make contributions to the committee, in which
704 case the individual may contribute not more than seven hundred fifty
705 dollars in any one calendar year to such committee or for the benefit of
706 such committee pursuant to its authorization or request.

707 (2) Notwithstanding the provisions of subdivision (1) of this
708 subsection and unless otherwise restricted or prohibited by law, an
709 individual may make unlimited contributions to an independent
710 expenditure political committee established by an organization.

711 Sec. 10. Subsection (d) of section 9-612 of the general statutes is
712 repealed and the following is substituted in lieu thereof (*Effective from*
713 *passage*):

714 (d) Any individual may make unlimited contributions or
715 expenditures to aid or promote the success or defeat of any
716 referendum question, provided any individual who makes an
717 expenditure or expenditures in excess of one thousand dollars to
718 promote the success or defeat of any referendum question shall file
719 statements according to the same schedule and in the same manner as
720 is required of a treasurer of a political committee under section [9-608]
721 9-601d, as amended by this act.

722 Sec. 11. Section 9-613 of the general statutes is repealed and the

723 following is substituted in lieu thereof (*Effective from passage*):

724 (a) [No] Except as provided in subsection (g) of this section, a
725 business entity shall not make any contributions or expenditures (1) to,
726 or for the benefit of, any candidate's campaign (A) for election to any
727 public office or position subject to this chapter, or (B) for nomination at
728 a primary for any such office or position, or (2) to promote the defeat
729 of any candidate for any such office or position. [No] A business entity
730 shall not make any other contributions or expenditures to promote the
731 success or defeat of any political party. [, except as provided in
732 subsection (b) of this section. No] A business entity shall not establish
733 more than one political committee. A political committee shall be
734 deemed to have been established by a business entity if the initial
735 disbursement or contribution to the committee is made under
736 subsection (b) of this section or by an officer, director, owner, limited
737 or general partner or holder of stock constituting five per cent or more
738 of the total outstanding stock of any class of the business entity.

739 (b) A business entity may make reasonable and necessary transfers
740 or disbursements to, or for the benefit of, a political committee
741 established by such business entity, for the administration of, or
742 solicitation of contributions to, such political committee. Nonmonetary
743 contributions by a business entity which are incidental in nature and
744 are directly attributable to the administration of such political
745 committee shall be exempt from the reporting requirements of this
746 chapter.

747 (c) The provisions of this section shall not preclude a business entity
748 from making contributions or expenditures to promote the success or
749 defeat of a referendum question.

750 (d) [A] Except as provided in subsection (g) of this section, a
751 political committee organized by a business entity shall not make a
752 contribution or contributions to, or for the benefit of, any candidate's
753 campaign for nomination at a primary or any candidate's campaign for
754 election to the office of: (1) Governor, in excess of five thousand
755 dollars; (2) Lieutenant Governor, Secretary of the State, Treasurer,

756 Comptroller or Attorney General, in excess of three thousand dollars;
757 (3) state senator, probate judge or chief executive officer of a town, city
758 or borough, in excess of one thousand five hundred dollars; (4) state
759 representative, in excess of seven hundred fifty dollars; or (5) any other
760 office of a municipality not included in subdivision (3) of this
761 subsection, in excess of three hundred seventy-five dollars. The limits
762 imposed by this subsection shall apply separately to primaries and
763 elections and contributions by any such committee to candidates
764 designated in this subsection shall not exceed one hundred thousand
765 dollars in the aggregate for any single election and primary
766 preliminary thereto. Contributions to such committees shall also be
767 subject to the provisions of section 9-618, as amended by this act, in the
768 case of committees formed for ongoing political activity or section 9-
769 619, as amended by this act, in the case of committees formed for a
770 single election or primary.

771 (e) [No] Except as provided in subsection (g) of this section, a
772 political committee organized by a business entity shall not make a
773 contribution or contributions to (1) a state central committee of a
774 political party, in excess of seven thousand five hundred dollars in any
775 calendar year, (2) a town committee of any political party, in excess of
776 one thousand five hundred dollars in any calendar year, (3) an
777 exploratory committee in excess of three hundred seventy-five dollars,
778 or (4) any other kind of political committee, in excess of two thousand
779 dollars in any calendar year.

780 (f) As used in this subsection, "investment services" means
781 investment legal services, investment banking services, investment
782 advisory services, underwriting services, financial advisory services or
783 brokerage firm services. [No] A political committee established by a
784 firm which provides investment services and to which the State
785 Treasurer pays compensation, expenses or fees or issues a contract
786 shall not make a contribution to, or solicit contributions on behalf of,
787 an exploratory committee or candidate committee established by a
788 candidate for nomination or election to the office of State Treasurer
789 during the term of office of the State Treasurer who does business with

790 such firm.

791 (g) (1) Notwithstanding the provisions of [this section, a
792 corporation, cooperative association, limited partnership, professional
793 association, limited liability company or limited liability partnership,
794 whether formed in this state or any other, acting alone,] subsections (a)
795 to (f), inclusive, of this section, a business entity may make
796 independent expenditures and contributions to an independent
797 expenditure political committee.

798 (2) An independent expenditure political committee organized by a
799 business entity shall not make any contribution unless such
800 contribution is to another independent expenditure political
801 committee.

802 Sec. 12. Section 9-614 of the general statutes is repealed and the
803 following is substituted in lieu thereof (*Effective from passage*):

804 (a) An organization may make contributions or expenditures, other
805 than [those made to promote] for the purposes of promoting the
806 success or defeat of a referendum question, only by first forming its
807 own political committee. [The] Unless such political committee is an
808 independent expenditure political committee, the political committee
809 shall then be authorized to (1) receive funds (A) exclusively from the
810 organization's treasury or from voluntary contributions made by its
811 members, but not both, (B) from another political committee, or [,] (C)
812 from a candidate committee distributing a surplus, and [(1) to] (2)
813 make (A) contributions or expenditures to, or for the benefit of, a
814 candidate's campaign or a political party, or [(2) to make] (B)
815 contributions to another political committee. [No] An organization
816 shall not form more than one political committee. A political
817 committee shall be deemed to have been established by an
818 organization if the initial contribution to the committee is made by the
819 organization's treasury or an officer or director of the organization.

820 (b) A political committee established by an organization may elect
821 to alter the manner in which it is funded if it complies with the

822 requirements of this subsection. The committee chairperson shall
823 notify the repository with which the committee's most recent statement
824 of organization is filed, in writing, of the committee's intent to alter its
825 manner of funding. [Within] Not later than fifteen days after the date
826 of receipt of such notification, the treasurer of such political committee
827 shall return any funds remaining in the account of the committee to
828 the organization's treasury after payment of each outstanding liability.
829 [Within] Not later than seven days after the distribution and payments
830 have been made, the treasurer shall file a statement with the same
831 repository itemizing each such distribution and payment. Upon such
832 filing, the treasurer may receive voluntary contributions from any
833 member of the organization which established such committee subject
834 to the limitations imposed in subsection (b) of section 9-612.

835 (c) The chairperson of each political committee established by an
836 organization on or after July 1, 1985, shall designate the manner in
837 which the committee shall be funded in the committee's statement of
838 organization.

839 (d) Notwithstanding the provisions of this section, an organization
840 [, acting alone,] may make independent expenditures and
841 contributions to an independent expenditure political committee.

842 Sec. 13. Section 9-615 of the general statutes is repealed and the
843 following is substituted in lieu thereof (*Effective from passage*):

844 (a) [No] A political committee established by an organization shall
845 not make a contribution or contributions to, or for the benefit of, any
846 candidate's campaign for nomination at a primary or for election to the
847 office of: (1) Governor, in excess of five thousand dollars; (2)
848 Lieutenant Governor, Secretary of the State, Treasurer, Comptroller or
849 Attorney General, in excess of three thousand dollars; (3) chief
850 executive officer of a town, city or borough, in excess of one thousand
851 five hundred dollars; (4) state senator or probate judge, in excess of
852 one thousand five hundred dollars; (5) state representative, in excess of
853 seven hundred fifty dollars; or (6) any other office of a municipality
854 not previously included in this subsection, in excess of three hundred

855 seventy-five dollars.

856 (b) [No] Any such committee shall not make a contribution or
857 contributions to, or for the benefit of, an exploratory committee, in
858 excess of three hundred seventy-five dollars. Any such committee may
859 make unlimited contributions to a political committee formed solely to
860 aid or promote the success or defeat of a referendum question.

861 (c) The limits imposed by subsection (a) of this section shall apply
862 separately to primaries and elections and no such committee shall
863 make contributions to the candidates designated in this section which
864 in the aggregate exceed fifty thousand dollars for any single election
865 and primary preliminary thereto.

866 (d) [No] Except as provided in subsection (f) of this section, a
867 political committee established by an organization shall not make
868 contributions in any one calendar year to, or for the benefit of, (1) the
869 state central committee of a political party, in excess of seven thousand
870 five hundred dollars; (2) a town committee, in excess of one thousand
871 five hundred dollars; or (3) any political committee, other than an
872 exploratory committee or a committee formed solely to aid or promote
873 the success or defeat of a referendum question, in excess of two
874 thousand dollars.

875 (e) Contributions to a political committee established by an
876 organization for the purpose of making contributions shall be subject
877 to the provisions of section 9-618, as amended by this act, in the case of
878 a committee formed for ongoing political activity or section 9-619, as
879 amended by this act, in the case of a committee formed for a single
880 election or primary.

881 (f) An independent expenditure political committee established by
882 an organization shall not make any contribution unless such
883 contribution is to another independent expenditure political
884 committee.

885 Sec. 14. Subsection (d) of section 9-617 of the general statutes is

886 repealed and the following is substituted in lieu thereof (*Effective from*
887 *passage*):

888 (d) [A] (1) No party committee may receive contributions in excess
889 of one hundred thousand dollars, in the aggregate, in any calendar
890 year from [a] any federal account of a national committee of a political
891 party, [but may not] and no party committee may receive
892 contributions from any other account of a national committee of a
893 political party or from a committee of a candidate for federal or out-of-
894 state office, for use in the election of candidates subject to the
895 provisions of this chapter.

896 (2) Notwithstanding the provisions of subdivision (1) of this
897 subsection, a federal account of a national committee of a political
898 party may provide to a party committee documentation in printed or
899 electronic form, such as a party platform, a copy of an issue paper, a
900 list of registered voters or voter identification information, which
901 documentation is or was created or maintained by the federal account
902 of the national committee of a political party.

903 Sec. 15. Subsection (a) of section 9-618 of the general statutes is
904 repealed and the following is substituted in lieu thereof (*Effective from*
905 *passage*):

906 (a) (1) A political committee organized for ongoing political
907 activities may make unlimited contributions to, or for the benefit of,
908 any national committee of a political party [;] or a committee of a
909 candidate for federal or out-of-state office. Except as provided in
910 subdivision (3) of subsection (d) of this section, no such political
911 committee shall make a contribution or contributions in excess of two
912 thousand dollars to another political committee in any calendar year.
913 No political committee organized for ongoing political activities shall
914 make a contribution in excess of three hundred seventy-five dollars to
915 an exploratory committee. If such an ongoing committee is established
916 by an organization or a business entity, its contributions shall be
917 subject to the limits imposed by sections 9-613 to 9-615, inclusive, as
918 amended by this act. A political committee organized for ongoing

919 political activities may make [contributions] donations to a charitable
920 organization which is a tax-exempt organization under Section
921 501(c)(3) of the Internal Revenue Code, as from time to time amended,
922 or make memorial [contributions] donations.

923 (2) An independent expenditure political committee organized for
924 ongoing political activities shall not make any contribution unless such
925 contribution is to another independent expenditure political
926 committee.

927 Sec. 16. Subsection (e) of section 9-618 of the general statutes is
928 repealed and the following is substituted in lieu thereof (*Effective from*
929 *passage*):

930 (e) A political committee organized for ongoing political activities
931 [may receive contributions from the federal account of a national
932 committee of a political party, but] may not receive contributions from
933 any [other] account of a national committee of a political party or from
934 a committee of a candidate for federal or out-of-state office.

935 Sec. 17. Subsection (a) of section 9-619 of the general statutes is
936 repealed and the following is substituted in lieu thereof (*Effective from*
937 *passage*):

938 (a) (1) No political committee established for a single primary or
939 election shall make contributions to a national committee, or a
940 committee of a candidate for federal or out-of-state office. If such a
941 political committee is established by an organization or a business
942 entity, its contributions shall also be subject to the limitations imposed
943 by sections 9-613 to 9-615, inclusive, as amended by this act. Except as
944 provided in subdivision (2) of subsection (d) of this section, no political
945 committee formed for a single election or primary shall, with respect to
946 such election or primary make a contribution or contributions in excess
947 of two thousand dollars to another political committee, provided no
948 such political committee shall make a contribution in excess of three
949 hundred seventy-five dollars to an exploratory committee.

950 (2) An independent expenditure political committee established for
951 a single primary or election shall not make any contribution unless
952 such contribution is to another independent expenditure political
953 committee.

954 Sec. 18. Section 9-620 of the general statutes is repealed and the
955 following is substituted in lieu thereof (*Effective from passage*):

956 (a) A political committee formed solely to aid or promote the
957 success or defeat of a referendum question shall not make
958 contributions to, or for the benefit of, a party committee, a political
959 committee, a national committee, a committee of a candidate for
960 federal or out-of-state office or a candidate committee, except in the
961 distribution of a surplus, as provided in subsection (e) of section 9-608,
962 as amended by this act.

963 (b) A political committee formed solely to aid or promote the
964 success or defeat of a referendum question shall not receive
965 contributions from a national committee or from a committee of a
966 candidate for federal or out-of-state office.

967 (c) [No] A person, other than an individual or a committee, shall not
968 make a contribution to a political committee formed solely to aid or
969 promote the success or defeat of a referendum question, or to any
970 other person [,] to aid or promote the success or defeat of a referendum
971 question, in excess of ten cents for each individual residing in the state
972 or political subdivision thereof in which such referendum question is
973 to be voted upon, in accordance with the last federal decennial census.

974 (d) Notwithstanding the provisions of subsections (a) to (c),
975 inclusive, of this section, an independent expenditure political
976 committee formed solely to aid or promote the success or defeat of a
977 referendum question shall not make any contribution unless such
978 contribution is made to another independent expenditure political
979 committee. Unless otherwise restricted or prohibited by law, an
980 independent expenditure political committee formed solely to aid or
981 promote the success or defeat of a referendum question may accept

982 unlimited contributions from an entity.

983 Sec. 19. (NEW) (*Effective from passage*) (a) (1) A foreign-influenced
984 entity, as defined in section 9-601 of the general statutes, as amended
985 by this act, shall not make any independent expenditure or any
986 contribution to an independent expenditure political committee, as
987 defined in said section.

988 (2) The chief executive or chief financial officer, or equivalent, of an
989 entity shall make due inquiry to determine that such entity is not a
990 foreign-influenced entity prior to making any independent
991 expenditure or any contribution to an independent expenditure
992 political committee.

993 (b) No violation of the provisions of subsection (a) of this section
994 shall be deemed to have occurred if, and only if, the chief executive or
995 chief financial officer, or equivalent, of an entity (1) made due inquiry
996 in accordance with subdivision (2) of said subsection, and (2)
997 determined that such entity was not a foreign-influenced entity prior
998 to making the independent expenditure or contribution in question. If
999 a violation of subdivision (1) of said subsection is found to have
1000 occurred and the chief executive or chief financial officer, or
1001 equivalent, of the entity is found to have not made such due inquiry,
1002 such chief executive or chief financial officer, or equivalent, shall be in
1003 violation of the provisions of subdivision (2) of said subsection.

1004 (c) Any person who violates any provision of subsection (a) of this
1005 section shall be subject to a civil penalty, imposed by the State
1006 Elections Enforcement Commission, of not more than two thousand
1007 dollars or two times the amount of any independent expenditure or
1008 any contribution to an independent expenditure political committee
1009 made, whichever is greater.

1010 (d) Each television or radio broadcast station, provider of cable or
1011 satellite television or online platform shall establish appropriate,
1012 specific and enhanced, where necessary, due diligence policies,
1013 procedures and controls reasonably designed to ensure that

1014 communications for which foreign nationals or foreign-influenced
1015 entities are prohibited from making expenditures, pursuant to this
1016 section, are not broadcast, distributed or otherwise made available to
1017 the public in the state.

1018 Sec. 20. Subsections (i) to (m), inclusive, of section 9-621 of the
1019 general statutes are repealed and the following is substituted in lieu
1020 thereof (*Effective from passage*):

1021 (i) In any [print, television or social media promotion of a slate of]
1022 organization expenditure for a party candidate listing, as defined in
1023 subparagraph (A) of subdivision (25) of section 9-601, as amended by
1024 this act, of a candidate or candidates by a party committee, [the party]
1025 legislative caucus committee or legislative leadership committee, such
1026 committee shall use applicable disclaimers pursuant to the provisions
1027 of this section for such promotion, and no individual candidate
1028 disclaimers shall be required.

1029 (j) [(1) Except as provided in subdivisions (2) and (3) of this
1030 subsection, if] If any person whose name is included on a disclaimer of
1031 a communication pursuant to the provisions of this section, as a person
1032 who made a covered transfer to the maker of the communication, is
1033 also a recipient of a covered transfer, the maker of the communication,
1034 as part of any report filed pursuant to section 9-601d, as amended by
1035 this act, associated with the making of such communication, shall
1036 include the names of the five persons who made the top five largest
1037 aggregate covered transfers to such recipient during the twelve-month
1038 period immediately prior to the primary or election, as applicable.

1039 [(2) The name of any person who made a covered transfer to a tax-
1040 exempt organization recognized under Section 501(c)(4) of the Internal
1041 Revenue Code of 1986, or any subsequent corresponding internal
1042 revenue code of the United States, as amended from time to time, that
1043 has not had its tax exempt status revoked, shall not be disclosed
1044 pursuant to the provisions of subdivision (1) of this subsection.

1045 (3) The name of any person who made a covered transfer to a

1046 person whose name is included on a disclaimer pursuant to the
1047 provisions of this section shall not be disclosed pursuant to the
1048 provisions of subdivision (1) of this subsection if the recipient of such
1049 covered transfer accepts covered transfers from at least one hundred
1050 different sources, provided no such source accounts for ten per cent or
1051 more of the total amount of covered transfers accepted by the recipient
1052 during the twelve-month period immediately prior to the primary or
1053 election, as applicable.]

1054 (k) Any disclaimer required to be on the face of a written, typed or
1055 other printed communication pursuant to the provisions of this section
1056 shall be printed in no smaller than eight-point type of uniform font
1057 when such disclaimer is on a communication contained in a flyer or
1058 leaflet, newspaper, magazine or similar literature, or that is delivered
1059 by mail.

1060 (l) Notwithstanding the provisions of this section, no person making
1061 an independent expenditure for a communication shall be required to
1062 list as part of any disclaimer pursuant to this section any person whose
1063 covered transfers to the maker of the communication are not in an
1064 aggregate amount of five thousand dollars or more during the twelve-
1065 month period immediately prior to the primary, [or] election or
1066 referendum, as applicable, for which such independent expenditure is
1067 made.

1068 (m) Notwithstanding the provisions of this section, any disclaimer
1069 required to be on the face of any Internet [text advertisement
1070 communication (1) that appears based on the result of a search
1071 conducted by a user of an Internet search engine, and (2) the text of
1072 which contains two hundred or fewer characters, shall not be required
1073 to list the names of the five persons who made the top five largest
1074 aggregate covered transfers to the maker of such communication, as
1075 otherwise required by this section, if such disclaimer (A) includes a
1076 link to an Internet web site that discloses the names of such five
1077 persons, and (B) otherwise contains any statement required pursuant
1078 to the provisions of this section] communication, which

1079 communication is disseminated through a medium in which the
1080 provision of all information required to be provided pursuant to this
1081 section is not possible, shall, in a clear and conspicuous manner (1)
1082 state the name of the person who paid for such communication, and (2)
1083 provide a means for any recipient of such communication to obtain,
1084 with minimal effort and without receiving or viewing any additional
1085 material, the remainder of the information required to be provided
1086 pursuant to this section.

1087 Sec. 21. Section 9-622 of the general statutes is amended by adding
1088 subdivisions (17) to (19), inclusive, as follows (*Effective from passage*):

1089 (NEW) (17) Any consultant who fails to provide to a committee or
1090 person complete information necessary for such committee or person
1091 to file any disclosure statement or report required under section 9-
1092 601d, as amended by this act, or 9-608, as amended by this act, as
1093 applicable.

1094 (NEW) (18) Any consultant who (A) other than for overhead or
1095 normal operating expenses, makes or obligates to make an
1096 expenditure, or directly or indirectly authorizes any subvendor to
1097 make or obligate to make such an expenditure, on behalf of a
1098 candidate, committee or other person, and (B) does so without the
1099 knowledge of such candidate, committee or other person.

1100 (NEW) (19) Any person who structures or assists in structuring, or
1101 attempts to structure or assist in structuring, any solicitation,
1102 contribution, expenditure, disbursement or other transaction for the
1103 purpose of evading the requirements of chapters 155 to 157, inclusive.

1104 Sec. 22. Subdivision (1) of subsection (g) of section 9-7a of the 2018
1105 supplement to the general statutes is repealed and the following is
1106 substituted in lieu thereof (*Effective from passage*):

1107 (g) (1) In the case of a written complaint filed with the commission
1108 pursuant to section 9-7b, commission staff shall conduct and complete
1109 a preliminary examination of such complaint by the fourteenth day

1110 following its receipt, at which time such staff shall, at its discretion, (A)
1111 dismiss the complaint for failure to allege any substantial violation of
1112 state election law supported by evidence, (B) engage the respondent in
1113 discussions in an effort to speedily resolve any matter pertaining to a
1114 de minimis violation, or (C) investigate and docket the complaint for a
1115 determination by the commission that probable cause or no probable
1116 cause exists for any such violation. If commission staff dismisses a
1117 complaint pursuant to subparagraph (A) of this subdivision, such staff
1118 shall provide a brief written statement concisely setting forth the
1119 reasons for such dismissal. If commission staff engages a respondent
1120 pursuant to subparagraph (B) of this subdivision but is unable to
1121 speedily resolve any such matter described in said subparagraph by
1122 the forty-fifth day following receipt of the complaint, such staff shall
1123 docket such complaint for a determination by the commission that
1124 probable cause or no probable cause exists for any violation of state
1125 election law. If the commission does not, by the sixtieth day following
1126 receipt of the complaint, either issue a decision or render its
1127 determination that probable cause or no probable cause exists for any
1128 violation of state election laws, the complainant or respondent may
1129 apply to the superior court for the judicial district of Hartford for an
1130 order to show cause why the commission has not acted upon the
1131 complaint and to provide evidence that the commission has
1132 unreasonably delayed action. For any complaint received on or after
1133 January 1, 2018, if the commission does not, by one year following
1134 receipt of such complaint, issue a decision thereon, the commission
1135 shall dismiss such complaint, provided the length of time of any delay
1136 caused by (i) the commission or commission staff granting any
1137 extension or continuance to a respondent prior to the issuance of any
1138 such decision, (ii) any subpoena issued in connection with such
1139 complaint, (iii) any litigation in state or federal court related to such
1140 complaint, [or] (iv) any investigation by the commission or
1141 commission staff (I) regarding a potential violation of section 9-601c or
1142 9-601d, as amended by this act, or (II) involving a potential violation of
1143 section 19 of this act, or (v) any investigation by, or consultation of the
1144 commission or commission staff with, the Chief State's Attorney, the

1145 Attorney General, the United States Department of Justice or the
1146 United States Attorney for Connecticut related to such complaint, shall
1147 be added to such one year.

1148 Sec. 23. (NEW) (*Effective January 1, 2019*) (a) As used in this section:

1149 (1) "Online platform" means any public-facing Internet web site or
1150 application or digital application, including, but not limited to, a social
1151 network, advertisement network or search engine, that sells qualified
1152 political advertisements and (A) has ____ or more unique monthly
1153 visitors or users, which visitors or users have an assigned Internet
1154 protocol address within the United States, for seven of the preceding
1155 twelve months, or (B) has revenue from advertising in excess of one
1156 thousand dollars per year; and

1157 (2) "Qualified political advertisement" means any advertisement,
1158 including, but not limited to, sponsorship and search engine
1159 marketing, that is an expenditure.

1160 (b) An online platform shall maintain, and make available for online
1161 public inspection in machine-readable format, a complete record of
1162 any request to purchase on such online platform a qualified political
1163 advertisement, which request is made by a person whose aggregate
1164 requests to purchase qualified political advertisements on such online
1165 platform during the calendar year exceeds two hundred dollars.

1166 (c) Any person who requests to purchase a qualified political
1167 advertisement on an online platform shall provide to the online
1168 platform all information necessary for such online platform to comply
1169 with the requirements of subsection (b) of this section.

1170 (d) A record maintained pursuant to subsection (b) of this section
1171 shall contain the following:

1172 (1) A digital copy of the qualified political advertisement;

1173 (2) A description of the audience targeted by such advertisement,
1174 the number of views generated from such advertisement and the date

1175 and time that such advertisement is both first and last displayed; and

1176 (3) Information regarding (A) as applicable, the name of any
1177 candidate to whom such advertisement refers and the office to which
1178 such candidate is seeking nomination or election, the primary or
1179 election to which such advertisement refers or the referendum
1180 question to which such advertisement refers, and (B) (i) for a request
1181 made by or on behalf of a candidate, the name of such candidate, the
1182 authorized candidate committee of such candidate and the treasurer of
1183 such candidate committee, or (ii) for any other request, the name of the
1184 person purchasing such advertisement, the name, address and phone
1185 number of a contact individual for such person and, in the case of a
1186 person other than a human being, the name of an individual who had
1187 direct, extensive and substantive decision-making authority over the
1188 purchase of such advertisement.

1189 (e) The information required to be provided or maintained, as
1190 applicable, pursuant to this section shall be (1) made available as soon
1191 as possible, and (2) retained by an online platform for a period of not
1192 less than four years.

1193 Sec. 24. (NEW) (*Effective from passage*) (a) (1) A consultant that
1194 receives or agrees to receive two thousand five hundred dollars or
1195 more, in the aggregate, and that makes or obligates to make any
1196 expenditure, including any payment to a subvendor, as defined in
1197 section 9-601 of the general statutes, as amended by this act, on behalf
1198 of a committee or a person required to file a report under section 9-
1199 601d of the general statutes, as amended by this act, shall, once such
1200 consultant has made or obligated to make any such expenditure in
1201 excess of five hundred dollars, in the aggregate, in a calendar year to a
1202 subvendor, provide to such committee or person a statement with a
1203 detailed account of such expenditure, including, but not limited to, (A)
1204 the amount and date of such expenditure and the person who received
1205 such payment, (B) the full name and street address of such subvendor,
1206 (C) the purpose of such payment and a description of such purpose,
1207 (D) the name of any candidate or referendum question supported or

1208 opposed by such expenditure, and (E) if applicable, the date of any
1209 event with which such payment is associated, including, but not
1210 limited to, any expenditure directly or indirectly made by a consultant
1211 to a subvendor for any (i) written, typed or other printed
1212 communication, or any web-based, written communication, that (I)
1213 promotes the success or defeat of any candidate's campaign for
1214 nomination or election or any referendum question, or (II) solicits
1215 funds to benefit any candidate or committee, (ii) advertising time or
1216 space, including, but not limited to, television or Internet video, radio
1217 or Internet audio, telephone call or web-based or social media
1218 communication, (iii) wages incurred as a result of work for any
1219 candidate or committee, (iv) survey, poll, signature gathering or door-
1220 to-door solicitation of voters, (v) facilities, invitations or entertainment
1221 for fundraising or other campaign events, or (vi) printing of mass
1222 campaign mailings or postage therefor. Such consultant shall provide
1223 the information described in this subdivision to such committee or
1224 person not later than five days after making or obligating to make such
1225 expenditure.

1226 (2) Notwithstanding the provisions of subdivision (1) of this
1227 subsection, if a consultant makes or obligates to make payment for an
1228 expenditure for which a committee or person is required to file a
1229 report pursuant to subsection (b) of section 9-601d of the general
1230 statutes, as amended by this act, such consultant shall, concomitant
1231 with making or obligating to make such payment, provide to such
1232 committee or person complete information necessary to file such
1233 report.

1234 (b) (1) Any committee, or any person required to file a report under
1235 section 9-601d of the general statutes, as amended by this act, that
1236 makes or obligates to make payment for an expenditure to a
1237 consultant, which consultant is required to provide to such committee
1238 or person the information described in subsection (a) of this section,
1239 shall include in any statement or report required under section 9-601d
1240 of the general statutes, as amended by this act, or 9-608 of the general
1241 statutes, as amended by this act, as applicable, (A) the full name and

1242 street address of each subvendor to whom payment of five hundred
1243 dollars or more, in the aggregate, was made or obligated to be made
1244 during the period covered by such filing, (B) the amount and date of
1245 payment, (C) the purpose of such payment and a description of such
1246 purpose, (D) the name of any candidate or referendum question
1247 supported or opposed by such expenditure, and (E) if applicable, the
1248 date of any event with which such payment is associated. The contents
1249 of such statement or report shall include any other information that the
1250 State Elections Enforcement Commission may require to facilitate
1251 compliance with the provisions of chapters 155 to 157, inclusive, of the
1252 general statutes, and shall be submitted on a form prescribed by the
1253 commission.

1254 (2) Except for overhead or normal operating expenses, a consultant
1255 shall not make any expenditure of five hundred dollars or more, in the
1256 aggregate, to or for the benefit of a candidate or committee, including,
1257 but not limited to, any expenditure described in subdivision (1) of
1258 subsection (a) of this section, unless complete information of such
1259 expenditure is provided to the committee or the person required to file
1260 a report under section 9-601d of the general statutes, as amended by
1261 this act, on whose behalf or for whose benefit such consultant is acting.

1262 (c) Each consultant shall keep a detailed account of each
1263 expenditure made or obligated to be made on behalf of any committee
1264 or any person required to file a report under section 9-601d of the
1265 general statutes, as amended by this act, and shall retain all records of
1266 each transaction required to be included in any statement or report
1267 under section 9-608 of the general statutes, as amended by this act, for
1268 a period of four years after the date of the statement or report in which
1269 such transaction was included. Such records shall include, but not be
1270 limited to, any invoice, receipt, bill, statement, itinerary or other
1271 written or documentary evidence demonstrating the campaign, or
1272 other lawful purpose of such expenditure.

1273 (d) If a subvendor makes or obligates to make any payment
1274 described in subsection (b) of this section, such subvendor shall be

1275 deemed a consultant and shall, pursuant to this section, comply with
1276 the requirements for a consultant.

1277 (e) Notwithstanding the provisions of subsections (a) to (d),
1278 inclusive, of this section, a financial obligation shall not be made or
1279 incurred by or on behalf of a committee unless authorized by the
1280 treasurer of such committee pursuant to section 9-607 of the general
1281 statutes, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	9-601
Sec. 2	<i>from passage</i>	9-601(3)
Sec. 3	<i>from passage</i>	9-601d
Sec. 4	<i>from passage</i>	9-603(a) and (b)
Sec. 5	<i>from passage</i>	9-605(a) and (b)
Sec. 6	<i>from passage</i>	9-607(g)(1)
Sec. 7	<i>from passage</i>	9-608(c)
Sec. 8	<i>from passage</i>	9-608(e)(1)(C)
Sec. 9	<i>from passage</i>	9-612(a) and (b)
Sec. 10	<i>from passage</i>	9-612(d)
Sec. 11	<i>from passage</i>	9-613
Sec. 12	<i>from passage</i>	9-614
Sec. 13	<i>from passage</i>	9-615
Sec. 14	<i>from passage</i>	9-617(d)
Sec. 15	<i>from passage</i>	9-618(a)
Sec. 16	<i>from passage</i>	9-618(e)
Sec. 17	<i>from passage</i>	9-619(a)
Sec. 18	<i>from passage</i>	9-620
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	9-621(i) to (m)
Sec. 21	<i>from passage</i>	9-622
Sec. 22	<i>from passage</i>	9-7a(g)(1)
Sec. 23	<i>January 1, 2019</i>	New section
Sec. 24	<i>from passage</i>	New section

Statement of Legislative Commissioners:

Throughout Section 1, "voting shares" was changed to "shares of voting stock" for consistency with the general statutes; in Section

1(36)(B), the language was restructured for clarity; in Section 3(i)(3), designators were added and the language was restructured for clarity; in Section 4(a) and (b), "for" was changed to "to promote the success or defeat of" for consistency; in Section 7(c)(2) and (3), "not later than" was changed to "[not later than] within" for clarity; in Section 7(c)(3), "it" was changed to "[it] such sample form" for clarity; in Section 7(c)(8), "terms" was changed to "term" for accuracy, "sample" was deleted for consistency, and "not later than" was changed to "within" and "it" was changed to "such form" for clarity; in Section 14(d)(1), after "party" "committee" was inserted for accuracy; in Section 19(a)(2) and (c), before "contribution" "any" was inserted for consistency; in Section 19(b)(2), "did determine" was changed to "determined" for clarity; in Section 21(18) and (19), the language was restructured for clarity; in Section 24(a)(1)(C) and (b)(1)(C), the language was restructured for clarity; in Section 24(a)(1)(E)(i)(I), "a referendum" was changed to "any referendum" for consistency; in Section 24(a)(1)(E)(vi), "printers" was changed to "printing" for clarity; in Section 24(a)(2), "obligation" was changed to "obligating" for accuracy; in Section 24(b)(2), "detailed" was changed to "described" for consistency; in Section 24(d), "requirements of" was changed to "requirements for" for clarity; and in Section 24(e), the language was restructured for clarity.

GAE *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Elections Enforcement Commission	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to laws affecting campaign finance and elections. Specifically, the bill: 1) codifies independent expenditure political committee as a type of political committee and requires them to register with the State Elections Enforcement Commission (SEEC), 2) increases maximum penalties for failing to file certain independent expenditure (IE) reports, and 3) creates certain civil penalties.

Increasing maximum penalties and creating new penalties will result in a potential revenue gain. The magnitude of revenue gain depends on the number of violations.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations.

OLR Bill Analysis**sHB 5526*****AN ACT CONCERNING DARK MONEY AND DISCLOSURE.*****SUMMARY**

This bill changes laws affecting campaign finance and elections. Principally, it:

1. modifies registration requirements for political committees (known as PACs), including expanding the contents of the registration statement;
2. codifies “independent expenditure political committee” (known as an IE-only PAC) as a type of PAC and requires them to register with the State Elections Enforcement Commission (SEEC);
3. expands independent expenditure (IE) and covered transfer disclosure requirements;
4. increases the maximum penalties for failing to file IE reports;
5. prohibits foreign-influenced entities from making IEs or contributions to IE-only PACs;
6. establishes a \$100,000 aggregate calendar year limit on contributions to a party committee from the federal account of the political party's national committee, subject to certain exceptions;
7. modifies current, and establishes new, political advertising disclaimer requirements for party candidate listings, Internet communications, and online platforms; and

8. defines “consultant” and “subvendor” for campaign finance purposes and establishes reporting requirements for them.

The bill also makes minor, technical, and conforming changes. In several instances it conforms law with practice, including requiring that reports for IEs made for or against (1) statewide office or legislative candidates, or statewide referenda, be filed with SEEC and (2) municipal office candidates or municipal referenda be filed with town clerks.

EFFECTIVE DATE: Upon passage, except that the provisions concerning online platforms are effective January 1, 2019.

§ 5 — PAC REGISTRATIONS

By law, most PACs must register with SEEC and designate a treasurer; they may designate a deputy treasurer. The registration statement must include, among other things, the name of the committee and its purpose.

The bill (1) requires that PAC chairpersons be individuals (i.e., human beings) with direct, extensive, and substantive decision-making authority over committee activities concerning raising and spending funds and (2) changes the deadline for filing PAC registrations from no more than 10 days after the day of organization to no more than 10 days after receiving contributions, or making or incurring expenses, over \$1,000 in the aggregate.

The bill also expands the contents of the registration statement to require PACs to indicate whether they are controlled, not only established, by any person or individual acting as an agent of the person, and, if established or controlled by a person other than a human being, the name of the CEO or equivalent. They must also indicate whether the person establishing the committee, not only the committee itself, files a report with the Federal Election Commission (FEC), IRS, or similar out-of-state agency, and if so, include identifying information.

§§ 1, 2, 6, 8, 9, 11-13, 15, 17 & 18 — IE-ONLY PACS

The bill codifies “independent expenditure political committee” (known as an IE-only PAC) as a type of PAC under Connecticut's campaign finance laws and, like other committees that make IEs, requires their registration with SEEC. It defines them as PACs that make only (1) IEs and (2) contributions to other IE-only PACs.

The bill makes several conforming changes, including specifying that (1) individuals, business entities, and labor unions may make unlimited contributions to IE-only PACs and (2) various types of IE-only PACs, such as those formed for a single election or primary, are prohibited from making contributions, other than to other IE-only PACs (see BACKGROUND: *IE-Only PACs*). It also establishes disclosure requirements for these PACs.

Lawful Purposes (§ 6)

The bill defines “lawful purposes of the committee” for IE-only PACs as promoting (1) a political party, (2) the success or defeat of candidates for nomination or election to a public office or position regulated by state campaign finance laws, or (3) the success or defeat of referendum questions. It requires these committees to act entirely independently of any candidate, candidate committee, party committee, PAC (other than an IE-only PAC), or agent of such a candidate or committee.

The law generally allows PACs to pay specific expenses to accomplish their lawful purposes.

Surplus Distributions (§ 8)

By law, candidate committees and PACs, other than exploratory committees or PACs organized for ongoing political activities, must generally spend or distribute surplus funds within 90 days after (1) a primary when a candidate loses or (2) March 31 following an election or a referendum held in November.

The bill establishes a surplus distribution procedure for IE-only PACs, other than those formed for ongoing activities. Specifically, it

requires them to distribute surplus funds, according to the schedule outlined above, to (1) their contributors, on a prorated basis; (2) state or municipal governments or agencies; or (3) tax-exempt organizations.

§§ 3-4 & 7 — REPORTING IEs AND COVERED TRANSFERS

By law, persons must disclose information about IEs they make that exceed \$1,000 in the aggregate by filing certain reports. A “person” is an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company, or any other legal entity (other than the state or its political or administrative subdivisions)(CGS § 9-601(10)).

The bill:

1. changes the period during which disclosure reports must be filed electronically no later than 24 hours after making or obligating to make an IE;
2. expands disclosure requirements for persons that make IEs without forming a PAC (known as “incidental spenders”) and for IE-only PACs;
3. conforms law with practice by requiring that, to disclose IEs, (a) incidental spenders use SEEC’s long- and short-form reports and (b) PACs, including IE-only PACs, use SEEC’s campaign finance forms for PACs formed in Connecticut.

24 Hour Reports (§ 3)

Under current law, a person must electronically file a disclosure report within 24 hours after making or obligating to make an IE that (1) is made or obligated during a primary or general election campaign and (2) promotes the success or defeat of a statewide office or legislative candidate.

The bill instead applies the 24-hour electronic filing requirement to such IEs made or obligated to be made during the period (1) beginning July 1 in a regular election year or, in the case of a special election for

state senator or state representative, the day the governor issues writs of election, and (2) through the day following the primary or general election for which the IE is made or incurred. In the case of a special election, a person that makes or obligates to make an IE that exceeds \$1,000, in the aggregate, before the governor issues the writs, must electronically file the IE report within 24 hours after the governor issues the writs. For any other IE, existing law requires that the reports be filed according to the same schedule as the periodic statements filed by PACs (CGS § 9-608).

Disclosures by Incidental Spenders (§ 3)

Existing law requires persons, other than PACs (as discussed above), to disclose information about IEs they make using SEEC's long- and short-form reports (i.e., SEEC Form 26)(see BACKGROUND: *Long- and Short-Form IE-Reports*). The bill adds to the contents that these IE-makers must disclose in these reports.

Under the bill, they must additionally disclose the following in the long-form report:

1. the name of the human being who had direct, extensive, and substantive decision-making authority over the IE being disclosed;
2. for the person making or obligating to make the IE, a statement indicating if the person files a report with the FEC, the IRS, or any similar out-of-state agency, and identifying information under which any filing is made;
3. generally, any street address that is different than any mailing address required by the form; and
4. for a referendum, its date, the question's text, and whether the IE supported or opposed it.

The bill also requires the individual who files the long-form report to certify, under penalty of false statement, that due inquiry was made

by the CEO, CFO, or equivalent officer, to determine that the IE-maker was not a foreign-influenced entity on the date when the IE was made or obligated to be made (see below: FOREIGN-INFLUENCED ENTITIES).

Under the bill, the short-form report must additionally disclose the following:

1. for a referendum, the question's text and an allocation of the expenditure in support or opposition to it and
2. any other information SEEC requires to facilitate compliance with state campaign finance laws.

Disclosures by IE-Only PACs (§ 7)

Existing law requires PACs to disclose information about their IEs by filing campaign finance statements with SEEC (i.e., SEEC Form 20 for regular PACs and SEEC Form 40 for IE-only PACs). Under the bill, an IE-only PAC must include additional information in these statements if any of its contributors received covered transfers that exceed \$5,000, in the aggregate, during the 12-month period preceding the applicable primary or election. The requirement applies when persons contribute more than \$1,000 in the aggregate.

By law, a “covered transfer” is, with certain exceptions, any donation, transfer, or payment of funds by a person to a recipient that (1) makes IEs or (2) transfers funds to another person who makes IEs.

Dedicated Accounts. Under the bill, a person that makes a contribution that exceeds \$1,000, in the aggregate, to an IE-only PAC from a dedicated IE-expenditure account must provide (to the IE-only PAC’s treasurer) the source and amount of each donation, transfer, or payment that exceeds \$5,000, in the aggregate, to the account. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC. A “dedicated IE-account” is one that is segregated from any other account the person controls.

The bill creates parameters for dedicated IE-accounts. It (1) allows such an account to receive covered transfers directly from any person, other than the person establishing it, and (2) prohibits the account from receiving covered transfers from any other account the person who established it controls, with one exception. A covered transfer can be moved to a dedicated account from another account that person controls, upon a covered transfer-maker's request, for the purpose of making IEs. In that case, it must be treated as a covered transfer directly to the dedicated IE-account.

Other Sources. A person that makes a contribution that exceeds \$1,000, in the aggregate, to an IE-only PAC from a source other than a dedicated IE-expenditure account must provide (to the IE-only PAC's treasurer) the source and amount of each donation, transfer, or payment that exceeds \$5,000, in the aggregate, to the person during the 12 months before the primary or election for which the IE is made. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC.

Additional Requirements. The bill prohibits recipients of covered transfers that exceed \$5,000 in the aggregate from knowingly making a contribution to an IE-maker without complying with all of the source and amount disclosure requirements described above.

In addition, a person that makes contributions to an IE-only PAC that separately, or in the aggregate, exceed \$1,000 per calendar year must provide the IE-only PAC with additional information if it receives covered transfers that separately, or in the aggregate, exceed \$5,000. Specifically, the person must provide the IE-only PAC with a statement, signed under penalty of false statement. By law, false statement is a class A misdemeanor, punishable by up to one year in prison, up to a \$2,000 fine, or both.

Under the bill, the statement must include:

1. if the contributor is a human being, the name of any employer or employers;

2. the contributor's status as a client or communicator lobbyist, or immediate family member of a communicator lobbyist, under the State Code of Ethics;
3. a certification that the contributor is not a state contractor, principal of a state contractor, foreign-influenced entity, or otherwise prohibited from making a contribution to the IE-only PAC; and
4. the name of any person required to be disclosed and the corresponding covered transfer amounts.

SEEC must prepare a form for the above certification statement and make it available to treasurers and contributors. The form must explain the term "covered transfer," and IE-only PACs must include the form's information in any written solicitation they conduct.

The bill prohibits IE-only PAC treasurers from accepting contributions from the contributors described above without the required information. Such a treasurer must (1) send a request by certified mail, return receipt requested, within three business days after receiving a contribution without a certification and (2) refrain from making the deposit until obtaining it. If the contributor still does not provide the certification, the treasurer must return the contribution at the end of the reporting period in which it was received or within 14 days after the treasurer's written request, whichever is later.

The bill provides treasurers a complete defense to any action taken against them, including an investigation by SEEC, concerning a contribution they deposit based on a signed certification later determined to be false.

Penalties for Failure to File an IE Report (§ 3)

The bill increases the maximum (1) civil penalties SEEC may impose for failure to file certain required IE reports and (2) fine SEEC or a court may impose for a knowing and willful failure to file. It also subjects IEs that support or oppose referendum questions to these

penalties.

Specifically, the law allows SEEC to impose a maximum penalty of \$10,000 for failure to file more than 90 days before a primary or general election. The bill extends this penalty to IEs that support or oppose a referendum.

For failure to file 90 days or less before a primary or general election, SEEC may currently impose a maximum penalty of \$20,000. The bill instead allows SEEC to impose a penalty of up to \$20,000 or twice the amount of any unreported IE, including for a referendum, whichever is greater.

Currently, a knowing and willful failure to file an IE report is punishable by a fine of up to \$50,000. The bill instead allows SEEC to impose a civil penalty of up to \$50,000 or 10 times the amount of any unreported expenditure, whichever is greater.

In addition, the bill establishes personal liability for a civil penalty that remains unpaid after the latter of one year after the date when (1) SEEC imposed it or (2) a final judgment is issued following any judicial review of SEEC's action. Specifically, the bill makes the following individuals personally liable:

1. in the case of a committee, the chairperson and any officer, or
2. in the case of a person other than a committee, (a) the CEO, CFO, or equivalent; (b) any other officer; and (c) any manager who had direct, extensive, and substantive decision-making authority over the IE or IEs made or obligated to be made.

§§ 1, 3 & 19 — FOREIGN-INFLUENCED ENTITIES

Federal law generally prohibits foreign nationals from making contributions, donations, or IEs in connection with federal, state, or local elections (see BACKGROUND: *Foreign Nationals and Related Federal Law*). The bill additionally prohibits foreign-influenced entities from making IEs or contributions to IE-only PACs. It thus requires that

an entity's CEO, CFO, or equivalent determine by due inquiry that it is not a foreign-influenced entity before making an IE or a contribution to an IE-only PAC.

Due Inquiry and Penalties (§ 3 & 19)

The bill subjects violators of its foreign-influenced entity prohibitions to a civil penalty imposed by SEEC of up to \$2,000 or two times the amount of any improper IE or contribution, whichever is greater. However, under the bill, no violation occurs if and only if the CEO, CFO, or equivalent officer made due inquiry to determine that the entity was not a foreign-influenced entity. Due inquiry must have been made before making the IE or contribution to the IE-only PAC (see above: *Disclosures by Persons Making IEs*).

Communications Policies (§ 19)

The bill requires each television or radio broadcast station, cable or satellite TV provider, or online platform (see below: ONLINE PLATFORMS) to establish appropriate, specific, and if necessary, enhanced due diligence policies, procedures, and controls regarding foreign nationals and foreign-influenced entities. Specifically, these policies, procedures, and controls must be designed to ensure that the stations, providers, and platforms do not broadcast, distribute, or otherwise make available to the public communications for which foreign nationals or foreign-influenced entities are prohibited from making expenditures.

Definitions (§ 1)

Under the bill, a "foreign-influenced entity" means an entity in which:

1. one foreign owner holds, owns, controls, or has directly or indirectly acquired beneficial ownership of at least 5% of the total equity or outstanding voting shares;
2. two or more foreign owners hold, own, control, or have directly or indirectly acquired beneficial ownership of at least 20% of the total equity or outstanding voting shares; or

3. any foreign owner participates in any way, directly or indirectly, in the process of making decisions with regard to the making of expenditures or contributions by the entity.

A “foreign owner” is a (1) foreign national, as defined in federal law, or (2) entity in which a foreign national holds, owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of at least 50% of the total equity or outstanding voting shares (see BACKGROUND: *Foreign Nationals and Related Federal Law*).

§§ 14 & 16 — PARTY COMMITTEES AND FEDERAL ACCOUNTS

The bill establishes a \$100,000 aggregate calendar year limit on contributions to a party committee from the federal account of the political party's national committee. It exempts from this limit electronic or printed documentation that the national committee creates or maintains and provides to the party committee, such as a party platform, issue paper, or voter registry list.

In addition, the bill prohibits PACs organized for ongoing political activities from receiving contributions from the federal account of a political party's national committee. Currently, these PACs are the only type organized under Connecticut law that are permitted to accept such contributions.

§ 20 — POLITICAL ATTRIBUTIONS

By law, printed, video, and audio political advertisements must include certain attributions, known as “disclaimers.” Among other things, they must identify the person making the expenditure.

Party Candidate Listings

Current law requires that party committees (i.e., state central and town) use the appropriate disclaimer in any print, television, or social media promotion of a slate of candidates (disclaimers by individual candidates are not required). The bill expands the disclaimer to cover organization expenditures for party candidate listings and extends it to legislative caucus and legislative leadership committees, as well as party committees.

By law, a “party candidate listing” is a communication that (1) lists the name or names of candidates for election; (2) is distributed through public advertising (e.g., cable television, newspapers, or similar media), direct mail, telephone, electronic mail, publicly accessible Internet sites, or personal delivery; and (3) is made to promote the success or defeat of a candidate or slate of candidates seeking nomination or election, or to aid or promote the success or defeat of a referendum question or a political party. The communication cannot be a solicitation for or on behalf of a candidate committee.

Reporting Covered Transfers Identified in Advertisements

By law, if a person identified in a political advertisement disclaimer as a top five transferor is also a recipient of a covered transfer (“recipient transferor”), the IE-maker must disclose in its reports to SEEC the names of the top five transferors to that recipient transferor. The “top five transferors” are the five persons that made the five largest aggregate covered transfers of \$5,000 or more to the person making the communication during the 12 months before the applicable primary or election.

The bill eliminates provisions in current law that prohibit certain disclosures in these reports. Specifically, the bill lifts the prohibition on disclosing the name of any person that made a covered transfer to a 501(c)(4) organization if the organization is a top five transferor. (Under federal law, these organizations are not required to publicly disclose their donors.)

It also lifts the prohibition on disclosing the name of any person that made a covered transfer to a top five transferor if (1) the recipient accepts covered transfers from 100 or more different sources and (2) no source accounts for 10% or more of the covered transfers accepted by the recipient during the 12 months immediately preceding the applicable primary or election.

The bill also specifies that a person is not required to list in a disclaimer, any other person that made a covered transfer to it of less

than \$5,000 in the aggregate during the 12 months immediately preceding a referendum for which an IE is made. This provision already applies to primaries and elections.

Internet Communications

The bill modifies the disclaimer requirements for certain Internet communications. Under current law, a disclaimer required for an Internet text advertisement communication need not disclose the top five transferors if the communication (1) appears based on the result of an Internet search and (2) has 200 or fewer characters in its text. But in that case, the communication must (1) include a link to a website disclosing the names of the top five transferors and (2) contain any other disclaimer information required by law.

The bill broadens the disclosure exception to any Internet communication disseminated through a medium that makes it impossible to provide all disclaimer information required by law. However, under the bill, these communications must in a clear and conspicuous way, (1) state the name of the person who paid for the communication and (2) provide a way for anyone who receives the communication to obtain, with minimal effort and without receiving or viewing additional material, the remainder of the disclaimer information required by law.

§ 23 — ONLINE PLATFORMS

The bill defines “online platform” and “qualified political advertisement” for purposes of state campaign finance laws and establishes records requirements for them, including making certain records open to the public.

Under the bill, an online platform must maintain a complete record of purchase requests for qualified political advertisements by a person whose requests exceed \$200 during a calendar year. The platform must make any such record available for online public inspection in a machine-readable format. Any person submitting a purchase request for a qualified political advertisement must provide the online

platform with all the information it needs to comply with these requirements.

Definitions

The bill defines "online platform" as any public-facing Internet website, application, or digital application, including a social network, advertisement network, or search engine, that sells qualified political advertisements and that has (1) for seven of the last 12 months, a certain number of unique monthly visitors or users (unspecified by the bill) that have had a U.S. Internet protocol address or (2) advertising revenue that exceeds \$1,000 per year.

A "qualified political advertisement" is any advertisement, including sponsorship and search engine marketing, that is an expenditure.

Required Information

Records that online platforms maintain to comply with the bill's requirements (i.e., those of purchase requests for qualified political advertisements) must contain the following:

1. a digital copy of the qualified political advertisement;
2. a description of the advertisement's target audience, the number of generated views, and the date and time it was first and last shown;
3. as applicable, information on the name of a candidate the advertisement referenced and the office sought, the primary or election referenced, or the referendum referenced;
4. for (a) a request made by or on behalf of a candidate, the name of the candidate, authorized candidate committee, and committee treasurer or (b) any other request, the name of the person purchasing the advertisement; the name, address, and phone number of a contact individual; and, in the case of a person other than a human being, the name of an individual with direct,

extensive, and substantive decision-making authority over the purchase.

Providing and Maintaining Records

Information provided or maintained in accordance with the bill's provisions must be (1) made available as soon as possible and (2) retained by an online platform for at least four years.

§§ 1 & 24 — CAMPAIGN CONSULTANTS

The bill defines “consultant” and “subvendor” for campaign finance purposes and establishes reporting requirements for them.

Definitions (§ 1)

Under the bill, "consultant" means a person (1) who provides campaign strategy; design or management of campaign communications, literature, or advertising; or fundraising or management services, or (2) whose duties include identifying, hiring, or paying subvendors for goods or services on behalf of a committee or a person required to file an IE report.

"Subvendor" means a person who (1) provides goods or services to a consultant or (2) contracts with a consultant or other subvendor to provide goods or services to a committee or person required to file an IE report. It does not include a person who is a consultant's employee, provided the person has been employed by the consultant for at least three consecutive months prior to any month when a committee or person is required to file a report that accounts for an expenditure to the consultant or one of his or her subvendors.

Reporting Requirements for Consultants (§ 24)

The bill establishes reporting requirements for consultants that (1) receive or agree to receive at least \$2,500 in the aggregate and (2) make or obligate to make expenditures, including payments to subvendors, on behalf of a committee or person required to file an IE report. (Presumably, the bill applies to all committees, including candidate committees, party committees, and PACs, not only those that file IE

reports or statements as required by CGS § 9-601d.)

Specifically, no later than five days after making or obligating to make an expenditure that exceeds \$500 in the aggregate in a calendar year to a subvendor, the consultant must provide the committee or person with a statement containing a detailed account of the expenditure. If a consultant makes or obligates to make a payment for an expenditure that requires a committee or person to file an IE report within 24 hours, the consultant must, at the same time, provide that committee or person with all the information necessary to file the report.

The detailed account must include the:

1. expenditure's amount and date, and the name of the person who received the payment;
2. subvendor's full name and street address;
3. description of the payment's purpose;
4. name of any candidate or referendum question the expenditure supports or opposes; and
5. date of any event with which the payment is associated.

Similarly, a consultant must include in the statement a detailed account of any expenditure made, directly or indirectly, to a subvendor for:

1. written, typed, or other printed communication, or any web-based, written communication, that (a) promotes the success or defeat of a candidate's campaign for nomination or election or any referendum question, or (b) solicits funds to benefit any candidate or committee;
2. advertising time or space, including television or Internet video, radio or Internet audio, telephone call, or web-based or social media communication;

3. wages incurred as a result of work for any candidate or committee;
4. survey, poll, signature gathering, or door-to-door voter solicitation;
5. facilities, invitations, or entertainment for fundraising or other campaign events; or
6. printing of, or postage for, mass campaign mailings.

The bill prohibits a consultant from making an expenditure that exceeds the \$500 threshold without providing all the required information. The prohibition does not apply to overhead or normal operating expenses.

Reporting Requirements for Committees and Persons that Pay Consultants (§ 24)

The bill requires committees and persons that make or are obligated to make a payment for an expenditure to a consultant that is subject to the above reporting requirements, to submit additional information in the campaign finance statements or IE reports they file with SEEC or a town clerk, as applicable (see above: REPORTING IEs and COVERED TRANSFERS). Specifically, these statements and IE reports must include the following information:

1. full name and street address of each subvendor to whom payment of at least \$500, in the aggregate, was made or obligated to be made during the period covered by the filing;
2. payment amount, date, and description of purpose;
3. name of any candidate or referendum question supported or opposed by the expenditure;
4. date of any event with which the payment is associated; and
5. any other information SEEC requires to facilitate compliance with state campaign finance laws.

Records Maintenance (§ 24)

The bill requires consultants to keep, for at least four years, the following information:

1. detailed accounts of each expenditure made or obligated on behalf of a committee or person and
2. records of each transaction required to be included in a campaign finance statement or IE report.

These records must include any invoice, receipt, bill, statement, itinerary, or other written or documentary evidence demonstrating the expenditure's campaign or other lawful purpose.

Subvenders (§ 24)

Under the bill, a subvendor that makes or obligates to make certain payments becomes a consultant and must comply with the applicable requirements. (It is unclear which payments trigger this change.)

Financial Obligation (§ 24)

Generally, under existing law, a committee cannot incur a financial obligation unless authorized by the treasurer (CGS § 9-607). The bill additionally prohibits a financial obligation from being made or incurred on behalf of a committee unless authorized by the treasurer.

§ 21 — ILLEGAL PRACTICES

The bill establishes three additional illegal campaign finance practices. By law, those who knowingly and willfully commit an illegal practice are guilty of a class D felony, punishable by imprisonment of up to five years, a fine of up to \$5,000, or both (CGS § 9-236).

Under the bill, the following are guilty of an illegal practice:

1. a consultant that fails to provide complete information in order for a PAC or person to file any required campaign finance disclosure statement or IE report;

2. a consultant that (a) other than for overhead or normal operating expenses, makes or obligates to make an expenditure, or directly or indirectly authorizes any subvendor to make or obligate to make an expenditure, on behalf of a candidate, PAC, or other person, and (b) does so without the knowledge of that candidate, PAC, or other person; and
3. a person who structures, assists in structuring, or attempts to structure or assist in structuring, a solicitation, contribution, expenditure, disbursement, or other transaction in order to evade state campaign finance laws.

§ 22 — SEEC INVESTIGATIONS

By law, SEEC must issue a final decision within one year after receiving any complaint it receives on or after January 1, 2018, or dismiss it. However, the deadline must be extended if specified actions delay the final decision's issuance.

Under the bill, the one-year deadline must also be extended by the length of any delay caused by an investigation by SEEC or its staff into a potential violation of (1) IE laws or (2) the bill's foreign-influenced entity provisions. Existing law already allows for an extension if any of the following actions delays a final decision:

1. SEEC or its staff grants a respondent an extension or continuance before issuing the decision;
2. a subpoena is issued in connection with the complaint;
3. litigation in state or federal court is related to the complaint; or
4. consultation with the chief state's attorney, attorney general, U.S. Department of Justice, or U.S. attorney for Connecticut.

BACKGROUND

IE-Only PACs

In Declaratory Ruling 2013-02, SEEC ruled that, in light of a line of cases ruling that contribution limits to IE-Only PACs are

unconstitutional, it would no longer enforce contribution limits to PACs that receive and spend funds only for IEs, unless it received further guidance from the legislature or a court.

Long- and Short-Form IE-Reports

As part of these reports, a person must disclose the source and amount of any covered transfer of \$5,000 or more, in the aggregate, it received during the 12 months before the applicable primary or election. This requirement applies if the IE (for which the report is being filed) is made or obligated to be made 180 or fewer days before the primary or election.

“Foreign Nationals” and Related Federal Law

Foreign Nationals. Federal law defines a “foreign national” as any of the following:

1. a government of a foreign country and a foreign political party;
2. a person outside of the United States, unless it is established that the person is (a) an individual and a U.S. citizen domiciled within the United States or (b) not an individual, has its principal place of business in the United States, and is organized under, or created by, the United States, a state, or other place subject to U.S. jurisdiction;
3. a partnership, association, corporation, organization, or other combination of persons organized under the laws of, or having its principal place of business in, a foreign country; or
4. an individual who is not a U.S. citizen or national, and who is not lawfully admitted for permanent residence (52 U.S.C. § 30121 and 22 U.S.C. § 611(b)).

Prohibited Activities. Federal law prohibits a foreign national from, among other things, directly or indirectly making:

1. in connection with a federal, state, or local election, a contribution or donation of money or anything of value; an

express or implied promise to make a contribution or donation;
or an expenditure or IE or

2. a contribution or donation to a federal, state, or local political party's committee.

It similarly prohibits a person from soliciting, accepting, or receiving any contribution or donation described above from a foreign national (52 U.S.C. § 30121 and 11 C.F.R. § 110.20).

Related Bill

sHB 5522, reported favorably by the Government Administration and Elections Committee, revises SEEC's process for reviewing complaints.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 9 Nay 8 (03/28/2018)